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# PERSONAL BRIEF
of
STAFF MEMBERS
SCHOOL OF HYGIENE
UNIVERSITY OF TORONTO

BRIEF TO

# The Medical Services Insurance Enquiry

on the

# Proposed Medical Services Insurance Program

A Personal Submission by

A Group of the Teaching Staff

of the School of Hygiene

University of Toronto

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## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Continuing emphasis must be put on the prevention of disease
(paras. 5,6,7)

Recommendation that the Committee recommend and use their influence to foster preventive programs
(paras. 8, 9)

Continual evaluation of the effects of health programs on the enhancement of health must be made
(paras. 13, 14, 15)

Evaluation should be in terms of financial cost, personnel and facilities required and the measurement of state of health
(para. 16)

The Committee should give consideration to desirability of extensive routine data collection
(paras. 18, 19, 20, 21)

Collection of essential data to be assigned as a responsibility of Minister of Health
(para.22)

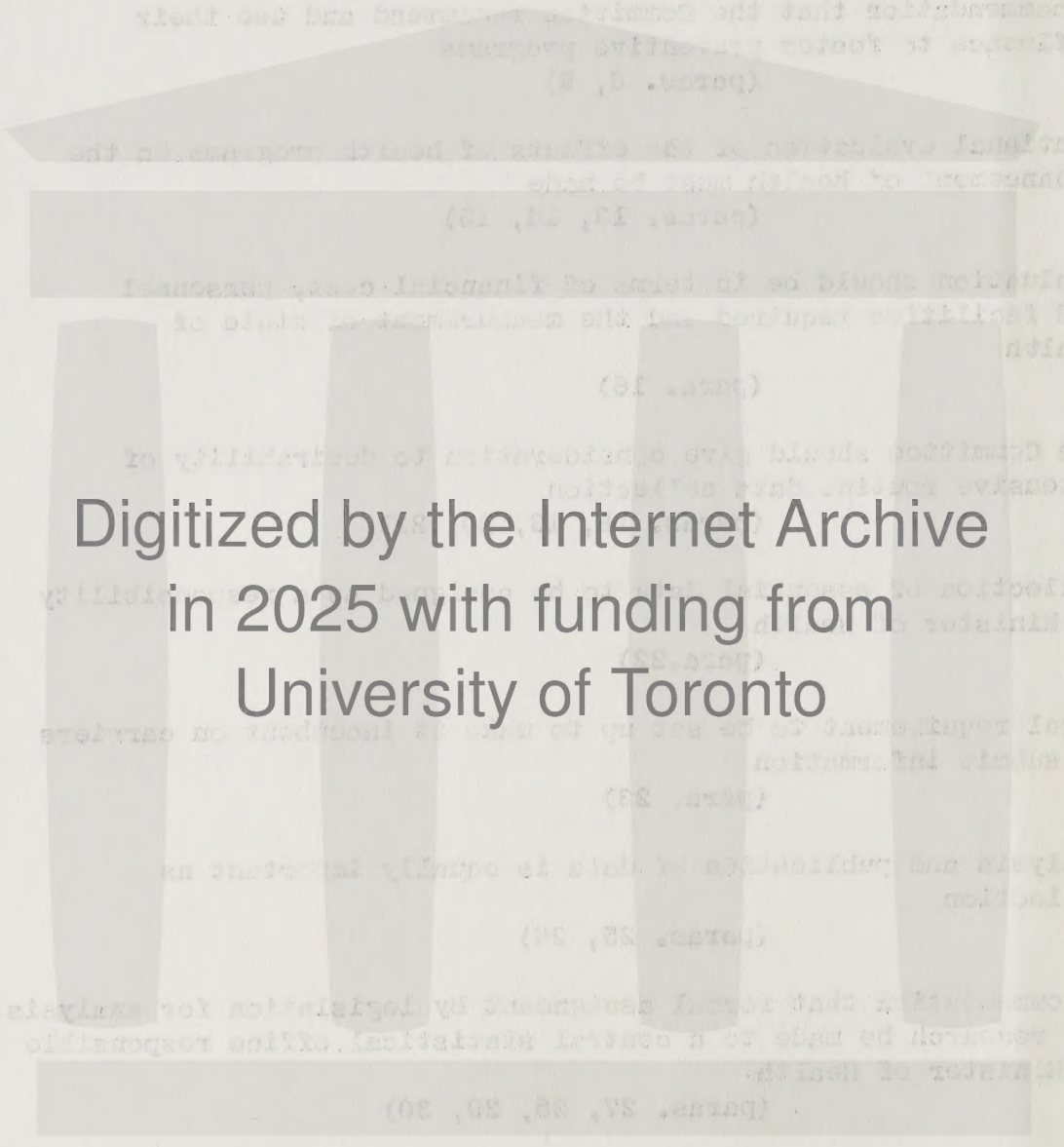
Legal requirement to be set up to make it incumbent on carriers to submit information
(para. 23)

Analysis and publication of data is equally important as collection
(paras. 25, 26)

Recommendation that formal assignment by legislation for analysis and research be made to a central statistical office responsible to Minister of Health
(paras. 27, 28, 29, 30)

Provision should be made for other appropriate agencies such as universities to have access to data for research purposes
(paras.31, 32, 33, 34)

We suggest that a specified proportion (1%) of each dollar spent on medical care insurance should be allocated to central research and statistical agency to be used by that agency and to be allocated on a project basis to other agencies competent to carry on studies
(para. 38)



## SPONSORSHIP

1. This brief is a personal submission of members of the teaching staff of the School of Hygiene, University of Toronto. These staff members have the responsibility for teaching various aspects of public health administration, medical care administration, hospital administration, epidemiology, and industrial medicine to approximately 100 full-time graduate students each year and to several hundred undergraduates. They are therefore particularly interested in the present new proposals of the government of the Province of Ontario in the field of provision of medical services.

## INTRODUCTION

2. In the announcement published in the Toronto press in September 1963, briefs were invited on the subject of a proposed medical services insurance program for Ontario. It is noted that representations were to be "in connection with matters related to, and consonant with, the basic principles, purposes and objectives of Bill 163 of the 1962-1963 session of the Legislative Assembly".

3. We refrain therefore from any detailed comment on the basic nature of the program, and the coverage likely to be achieved under a program designed primarily to permit persons to obtain protection against the costs of medical and surgical care.

4. We refrain as well from any detailed comments on the nature of the administrative structure proposed in Bill 163, for the reason that there is no detail available in the Bill which clearly spells out the responsibilities of the government, the individual carriers and Medical Carriers Incorporated. Presumably these responsibilities will

be spelled out in regulations. Comment could have been much more helpful if some indication of the content of these regulations had been disclosed.

## PREVENTION OF DISEASE

5. Since most of us who subscribe to this brief are intimately associated with teaching and research in preventive medicine, it is not unexpected, then, that we urge the Commission to consider how a sound and effective balance between preventive and curative medicine may be established and maintained. It need not be argued here that the important advances in the control of disease have come more often from the development of techniques of prevention than from the introduction of elaborate and costly treatment services.

6. In the next succeeding decades the chief health problems which our society will face will be caused by diseases which do not lend themselves--insofar as our current knowledge tells us--to methods of direct prevention, or indeed, simple uncomplicated treatment, such as were effective for past scourges as typhoid fever, poliomyelitis, septicaemias and some types of pneumonia. The diseases of major consequence of today and tomorrow must be tackled by early recognition in their course of development followed by active intensive treatment designed in many instances not to cure but to arrest the progress of an already established disease process.

7. It is our belief that this so-called "secondary prevention" can be effective only if considerable encouragement is given to both patients and physicians to energetically seek out the presence of disease. In some instances this will require organized programs such as mass screening of appropriate sections of the population of single

or multiple diseases. Mass screening programs for the detection of diabetes, hypertensive heart disease and glaucoma are typical examples. Perhaps the best example of a highly effective program of this type is seen in the tuberculosis field. Similarly encouragement should be given to individual physicians to seek out disease in apparently healthy persons by means of routine physical examinations, participation in such programs as cervical cancer detection and so forth. The manner in which they may be done is only beginning to be understood; in our view it is important that a clear indication be given to both the public and the health professions that the prevention of disease continues to be extremely important.

8. We would urge, therefore, that the Committee recommend to the Government and to the people of Ontario the need for establishment of new, as well as the continuation of existing programs for the prevention of disease both by such direct methods as immunization and by more indirect methods such as early case-finding.

9. While it is difficult to envision how organized preventive programs such as mass screening can be worked into a program insuring in the main against the cost of treatment, we respectfully suggest that this Committee can be a powerful force in influencing public, professional and political opinion on the side of increased support for preventive programs.

## EVALUATION OF EFFECTIVENESS

10. We would comment as well on one other important aspect of medical care which is consonant with and crucial to the stated purpose of the Bill, namely, "to make it possible for all residents of Ontario to obtain protection against the costs of

medical and surgical care and services".

11. Our main concerns are with the collection and the critical analysis of the extensive data which can be made available as a result of an increased expenditure of funds in the field of medical care insurance. Modern electronic data collecting and processing techniques make the accumulation and analysis of extensive data feasible and economical, provided that competent persons, with the necessary time, are available to do the analyses. Analyses can be topical and often accomplished as a by-product of a payment system.

12. In the following sections we shall discuss the desirability of data collection and analysis under separate headings. It should be realized, of course, that there is a constant inter-relationship between these two aspects.

## DATA COLLECTION

13. We note the fundamental implication, as stated in the terms of reference of this Committee, that the purpose of any public program should be the enhancement of the physical and material well-being of the public, and that social and economic benefits, as well as health benefits are achieved by a public program in this area.

14. It follows therefore, in our view, that a continual evaluation must be undertaken as to the extent to which the public welfare and well-being is being enhanced by the program in question. It follows, further, that the program and its component parts must be under constant scrutiny and subjected to constant measurement by the most sophisticated techniques now possible. One advantage of the very late entry of governments in Canada into this area is that the experience of many other countries can be drawn upon. There is a very

large literature available in this field, in many languages, with which fact you are doubtless familiar.

15. It is our belief that implicit in the stated purpose of the Bill, is the assumption that the health and well-being of the people of Ontario will in fact be enhanced and improved by a bill-paying program. This assumption should be capable of investigation.

16. Study of the effectiveness of a program such as that under discussion, which is designed to provide only a portion of the health services required by the citizens of Ontario falls under three main headings:

a) the purely financial costs, which can be measured in dollars;

b) the costs in terms of the personnel and facilities required to implement the program and provide services of good quality; and

c) the measurement of the state of health of the people as affected by the program.

17. The financial analysis presents few problems and well-accepted techniques are available for measurement of costs. We would add, however, that it is important to know, insofar as is possible, not only the direct costs, including administration, referable to the services provided by insurance, but also the residual costs, if any, borne by the patient.

18. We would urge therefore, that this Committee give consideration to the desirability of collecting adequate data which will permit continual evaluation of the cost of providing medical care services.

19. It is important for the people of Ontario and those respon-

sible for providing health services to know the effect of any such program on the resources required to offer the service - human and material. Special attention should be focused on personnel now, and likely to continue, in short supply, e.g. nurses in any part of Ontario, and physicians in the less attractive areas. The introduction of a unilateral type of program, which offers to pay bills for services rendered, will almost certainly aggravate some of the present shortages.

20. Since the provision of medical and surgical care cannot be undertaken without the use of resources such as hospitals, laboratory and radiological services, physiotherapy, home care, and a host of other services, it is essential that useful data be made available which will permit the planning and supplying of these services. The actual provision of new services will have to be undertaken, not by the insurance carriers, but by communities concerned. Data are required to assist those responsible for training health personnel to make estimates of the numbers required, for many fields affected by this Bill are already critically short of staff.

21. It is essential in our view, as well, the measurements of the health and sickness experience of the people of this province be continually made. Only by the accumulation of comprehensive data can adequate assessment be made of success or failure of a program to improve the health of our citizens on a long-term basis. Such indices as incidence and prevalence of illness or injury by disease category, the extent of disability, and the volume of services provided can give essential clues to the need for modification of programs and improvement of services. It can further permit the comparison of the relation-

ship of apparent need and demand to the ability to provide services. It should be noted here that such data can be applied to local or regional needs as well as to those of the province as a whole. Some types of information which might be collected routinely are noted in Appendix I.

22. It is our view that the collection of essential data can be accomplished most effectively if there is a legal assignment of responsibility to some agency to act as a central data collection and processing office. It is recommended that the responsibility for this activity should fall upon the Minister of Health and his staff since it seems obvious that our society accepts the premise that his department is charged with an over-riding concern for the health of the people of the province.

23. We would urge, as well, that the Bill or Regulations contain provisions which would make it incumbent upon all carriers to provide data to the central data collection agency. Appropriate safeguards for maintaining the confidentiality of the data in respect of named persons or carriers would have to be instituted.

24. Coupled with this data collection function we would see this central agency having a function of research and analysis of the data which are gathered. This will be discussed in subsequent paragraphs. It is further suggested that this agency be required to submit an annual report to the Legislature through the Minister of Health.

## RESEARCH AND ANALYSIS OF DATA

25. It will serve little purpose if masses of data are collected but not subjected to analysis. It may be noted that fundamentally two types of data analysis can be distinguished. The first of these is a

simple categorization of data into appropriate groups with the consequent tabular or graphic presentation of results. The value of extensive analyses of this type are undoubted, leading as they do to better understanding of program content, results and deficiencies.

26. On the other hand, a more sophisticated type of analysis in the use of data comes under the loosely defined term, research. Here, there may be a more intensive study of specific areas of interest, an evaluation of the inter-relationship between differing experiences; in some cases a form of operations research is indicated in which the results of modification of one or more causative factors on the whole is studied. We believe that there is an important place for both routine analyses and research activities.

27. We urge the Committee to consider the advisability of assigning responsibility in a formal way in the Bill or the Regulations to the agency mentioned in paragraphs 22, 23, and 24 of this brief, for analysis of and research into the Medical Services Insurance Program. We believe that this analytical and research function is an integral and essential part of a medical care program.

28. This responsibility can best be discharged through two developments we would recommend for consideration.

29. First, an adequately financed and staffed research and statistics agency should be established, with access to all the data which can conveniently be collected on the experience of medical care insuring agencies. This research and statistics agency should be charged with responsibility for the analysis of the data collected and the frequent publication of general and specific studies, with informed comment. It would be desirable for this agency to have

considerable latitude to complete studies on its own initiative, for there may be occasions when the data suggest that the program is not meeting fully the declared objective of improving health by paying for medical care services.

30. We are not clear whether the intent of Bill 163 is to assign to Medical Carriers Incorporated a responsibility for aspects of the insurance program such as coverage, utilization and distribution. It is our considered view that these aspects should in fact, as we have suggested, be a responsibility of the Minister of Health, and that the research and statistics functions we have briefly outlined be charged to him and his department.

31. Second, it seems evident to us that provision should be made for other appropriate agencies to have access to data which have been collected and which are suitable for research and teaching purposes. Here, we think naturally of the role of the institutions of higher learning in Ontario where the spirit of inquiry and investigation is strong.

32. We believe that members of university staffs can make important contributions to an understanding of the problems of providing health care. Their interest in scientific inquiry, combined with objectivity in the presentation of the results of study, suggest that the Committee should give earnest consideration to the role which independent research workers can play.

33. If data collection, research and the complex administrative tasks involved in an expanded coverage of insured population are to be carried out promptly and effectively, it seems evident that the universities and other educational establishments will be called on to

produce many more well-educated persons with sufficient competence and initiative to meet the challenge of the highly complex health services of today.

34. It is generally accepted that teaching is most effective when research is conducted as a parallel activity by the teacher. In universities, graduate students customarily take part in their supervisor's research. We regard it as natural, therefore, to suggest that provision be made for university staff members to conduct analyses and research in the field of medical care, and that funds be provided accordingly, on a project basis.

35. It may be noted that there are numerous examples of medical care insurance programs which regard data collection, analysis, and research as proper charges on the program. Some examples from the field of prepayment insurance include: the extensive studies of the Metropolitan Life Insurance Company, the work of the Health Information Foundation in the United States, and the more limited studies of Windsor Medical Services, and Physicians' Services Incorporated.

36. We would draw to the attention of the Committee the extensive data collection and research activities of the Ontario Hospital Services Commission. Similar approaches are used in almost all programs where there is an element of public interest involved. It is, however, a matter of concern to persons like ourselves who have a responsibility for teaching and advancement of knowledge that by no means all of the agencies that collect and analyse data do in fact, publish the results in a readily accesssible form. This failure to publish data which would contribute to knowledge seems to be attributable more to lack of staff with the necessary aptitude for preparing material for

publication than to a fear by the agency that the data may reveal deficiencies.

37. We have been particularly impressed by the program in the Netherlands where a number of voluntary organizations are responsible for the provision of health insurance to a large percentage of the population. In that country each insuring agency makes a contribution to a central fund ("Sick Fund") which in turn allocates funds to a wide variety of agencies for purposes of preventive medicine, including research, experimentation, and development. The purpose of this is to see that a measure of preventive medical work is financed from a program that finances in the main the curative services. One of the most significant aspects of the Netherlands program, is that the Sick Fund makes a major contribution to research by partly supporting the Netherlands Institute for Preventive Medicine in Leiden, which has in consequence become a world centre in this field. It is our view that a similar arrangement for supporting preventive medicine might be built into the proposed program in Ontario. Some information kindly provided by the Netherlands Institute for Medical Research is attached as Appendix No.II.

38. No detailed proposals are made to your Commission, but we suggest that at the outset, a specified proportion of each dollar expended for the purchase of medical care insurance be allocated to the central data collection and analysis agency, and from that agency on a project basis to independent groups such as university staff members and others competent to study and analyse these data. We would suggest as a guide that 1% of the money used to purchase medical care insurance be allocated for central data collection and research. More detailed

study of this proposal will obviously be required, having regard to such factors as anticipated coverage, rates of premiums and so forth which we cannot at this moment evaluate.

APPENDIX I

The following data is recommended for routine collecting and tabulation.

1.0 - Age

2.0 - Sex

3.0 - Marital Status

4.0 - Residence

5.0 - Dependent status (i.e.head of household, etc.)

6.0 - Income group (probably only for low income groups who may be subsidized)

7.0 - Source and Type of Service

7.1 - general practitioners, specialist, other

7.2 - initial, continuing or referral or consultation

7.3 - home, office, hospital, out-patient or clinic visit

8.0 - Cost of service (Here it would be useful but admittedly difficult to collect data on non-insured costs.)

9.0 - Diagnosis - primary and one secondary (International code of classification recommended - 4 digit code if feasible)

10.0 - Treatment - (surgical operations performed)

Appendix II

The relationship between the cost of financing health insurance and preventive medicine in the Netherlands is an interesting one. The following description is based on a personal communication from Dr. J. A. C. deKock van Leeuwen, Head of the Department of Information, Netherlands Institute for Preventive Medicine, Leiden. It conveys a brief description of the process whereby financial allocations are made between the health insurance program and agencies concerned with preventive medicine.

In the Netherlands the curative care of 80% of the population is done through what may perhaps best be translated as Sick-Funds. This care includes not only medical pharmaceutical and obstetrical services outside the hospital, sanatoria or institutions for the mentally disturbed, but also the nursing and treatment required in these places.

The Sick-Funds are private, non-profit organizations, recognized and supervised by a government-appointed Sick-Funds' Board.

The medical and technical personnel are paid by the Funds, the general practitioners according to a subscription rate.

Any national with an annual income below 9000 guilders may become a member of a Sick-Fund. The members can be divided into two groups: (1) the voluntarily insured and (2) the compulsorily insured comprising wage-earning employees whose income falls below the stipulated amount.

All compulsory insurance premiums are deposited in a central Fund. Each of the Sick-Funds receives a share of the major part of this fund in proportion to its members.

In 1950 a law was passed which set up a Prevention Fund. This legislation provided that a sum of six million guilders be drawn from the central pool of Sick-Funds income and be deposited in the Prevention Fund which is used exclusively for preventive purposes.

Of the six million guilders two million are provided by law for the Netherlands Institute for Preventive Medicine. The balance of four million guilders is used to subsidize organizations in the field of preventive medicine and care.

The attached table showing the agencies to which subsidy grants were made indicates the broad scope of this program. Amounts shown are in Dutch guilders. Current rate - $1 = 3.25 guilders

Subsidies to Preventive Agency Programs

| | 1962 | 1961 |
|---|---|---|
| Mental Public Health | f | f |
| Bureaus for Personal and Family Problems | 141.573.76 | 112.117.62 |
| Education, information, etc. | 317.885.-- | 264.714.-- |
| Child guidance Clinic | 400.000.-- | 401.685.50 |
| Establishment of such Clinics | 8.000.-- | 32.000.-- |
| Post-graduate training | 11.750.-- | 11.750.-- |
| Single subsidies to inst. for after-care of mentally retarded | -.-- | 55.500.-- |
| Amsterdam Child guidance Clinic: | | |
| Investigation into objective criteria for determining reference indications | -.- | 22.120.-- |
| Safety Institute | 25.-- | 25.-- |
| Neth. Association for Public Dentistry | 49.000.-- | 50.000.-- |
| The Ivory Cross | 30.000.-- | 20.000.-- |
| Vacation for Children | 934.361.35 | 532.766.06 |
| Cross Associations: organizations | 350.000.-- | 354.500.-- |
| Post-graduate courses for District Nurses, etc. | 65.950.-- | 65.950.-- |
| Payments of 200 guilders and 100 guilders to attenders of courses in district-nurse training | 127.500.-- | 127.500.-- |
| Maternity care (courses for trainees in obstetric nursing) | 225.000.-- | 500.000.-- |
| Maternity care (courses for graduate obstetric nurses) | 40.000.-- | 40.000.-- |
| Central Council for Family Care | 5.000.-- | 5.000.-- |
| Construction of District Buildings | 150.000.-- | 150.000.-- |
| Vaccination of infants and pre-school children | 927.442.45 | 763.850.63 |
| Dieticians employed by Cross organizations | 46.666.66 | 42.000.-- |
| Neth. Foundation for the Deaf and Hard-of-Hearing Child | 7.500.-- | 15.000.-- |
| Gen. Neth. Asso. for the Prevention of Blindness | 25.000.-- | 25.000.-- |
| Gen. Asthma Association | 10.000.-- | 10.000.-- |
| Neth. Catholic Association for the Deaf | -.-- | 3.000.-- |
| Dr. Veeger Instituut | -.-- | 17.000.-- |
| Carry-forward | 3.872.654.22 | 3.621.478.81 |

| | 1962 | 1961 |
|---|---|---|
| | f | f |
| amount carried forward | 3.872,654.22 | 3.621,478.81 |
| Pension provisions for district nurses and leader-teachers | -.-- | 200.000.-- |
| Advanced courses in Social Hygiene Work | 1.500.-- | 1.500.-- |
| 7th International Summer Course re prevention and treatment of alcoholism | -.-- | 2.500.-- |
| Study of present subsidy system, with special regard to preventative medicine | -.-- | 40.000.-- |
| Federation of Neth. Assoc. concerned with nursing and the patient: | | |
| Course for Industrial Nurses | -.-- | 1.300.-- |
| Film and Youth Institute | 4.000.-- | -.-- |
| Assoc. for promotion of interests of the Deaf | 7.500.-- | -.-- |
| Med. Cons. Bur. for Alcoholism without probationary responsibilities | 35.273.39 | -.-- |
| | 3.920,927.61 | 3.866,778.81 |

| | | |
|---|---|---|
| Leiden Rheumatology Clinic Foundation | | |
| Amount of net subsidy | 467.344.06 | 516.245.36 |
| Maternal credit | 18.042.58 | -.-- |
| Provision for periodic maintenance | -.-- | 2.200.-- |
| | 485.386.64 | 518.445.36 |

| | 1962 | 1961 |
|---|---|---|
| | £ | £ |
| Amount carried forward | 3,873,694.22 | 3,921,479.81 |
| Pension provisions for district nurses and leader-teachers | --.-- | 200,000.-- |
| Advanced courses in Social Hygiene Work | 1,900.-- | 1,800.-- |
| 7th International Summer Course re Prevention and treatment of alcoholism | --.-- | 2,800.-- |
| Study of present subsidy system, with special regard to preventative medicine | --.-- | 40,000.-- |
| Federation of Meth. Assoc. concerned with nursing and the patients: | | |
| Course for Industrial Nurses | --.-- | 1,300.-- |
| Film and Youth Institute | 4,000.-- | --.- |
| Assoc. for promotion of interests of the Deaf | 7,800.-- | --.- |
| Med. Coun. Bur. for Alcoholism without probationary responsibilities | 36,373.39 | --.- |
| | 3,920,827.61 | 3,966,779.81 |
| Leiden Rheumatology Clinic Foundation | | |
| Amount of net subsidy | 467,344.05 | 816,245.36 |
| Returned credit | 18,042.59 | --.- |
| Provision for periodic maintenance | --.-- | 2,200.-- |
| | 485,386.64 | 818,445.36 |

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